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UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE

ART+COM Innovationpool GmbH : CA NO. 14-217-RGA
:
Plaintiff, :
:
v. : April 27, 2015
:
GOOGLE INC., :
:
Defendant. : 11:24 o'clock a.m.
.....:

TRANSCRIPT OF DISCOVERY DISPUTE
BEFORE THE HONORABLE RICHARD G. ANDREWS
UNITED STATES DISTRICT JUDGE

APPEARANCES:

For Plaintiff: FARNAN LLP
BY: BRIAN E. FARNAN, ESQ

-and-

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BAKER BOTTS LLP

BY: SCOTT F. PARTRIDGE, ESQ

BY: M. NATALIE ALFARO, ESQ

For Defendant:

MORRIS, NICHOLS, ARSHT & TUNNELL

BY: JACK B. BLUMENFELD, ESQ

-and-

AKIN GUMP STRAUSS HAUER & FELD

BY: CONO A. CARRANO, ESQ

Court Reporter:

LEONARD A. DIBBS

Official Court Reporter

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P R O C E E D I N G S

(The proceedings occurred at 11:24 o'clock a.m. as follows:)

THE COURT: Good morning. Please be seated.

This is a discovery conference in Art+Com
Innovationalpool GmbH v. Google Inc., Civil Action No. 14-217.

Mr. Farnan, who have you got with you there?

MR. FARNAN: Good morning, your Honor. Brian Farnan.
With me is Scott Partridge --

MR. PARTRIDGE: Good morning, your Honor.

MR. FARNAN: -- and Natalie Alfaro.

MS. ALFARO: Good morning, your Honor.

MS. FARNAN: They are with Baker Botts.

THE COURT: Good morning to you both.

Mr. Blumenfeld.

MR. BLUMENFELD: Good morning, your Honor.

Jack Blumenfeld from Morris Nichols for Google, and
Cono Carrano from Akin Gump in Washington.

THE COURT: Good morning to you all.

All right.

So, as I understand it, the letters say that Art+Com
has three issues.

Has anything that was written in the letters become

1 less of an issue since I got these?

2 MR. PARTRIDGE: No, your Honor.

3 THE COURT: All right.

4 So, in the first issue, these products; "Google Earth,
5 Google Earth Pro, Google Earth Enterprise, the New Google Maps,
6 and any other Google product or service that incorporates or
7 uses the same or substantially similar functionalities," is that
8 the same thing, Mr. Carrano, that your response that you
9 referred to as Google Earth?

10 MR. CARRANO: Yes, your Honor.

11 THE COURT: Okay. So, in regards to the requested
12 financial information, ART+COM says we have two pages. I
13 couldn't figure out exactly how many pages Google said it
14 produced, but it looks like it was more than just two.

15 If I'm reading these things right, what am I missing
16 here?

17 MR. PARTRIDGE: Your Honor, they produced two
18 documents. The documents have multiple pages. I think that's
19 the confusion on that point.

20 THE COURT: Well, that's a good start, yes.

21 MR. PARTRIDGE: And if you'd like, I can -- and maybe
22 this is a good place to start -- I can showing show you the two
23 documents that somehow reflect all of the revenue information
24 they think they need to provide in connection with this case.

25 THE COURT: Well, I thought they actually said this was

1 all the revenue information they have.

2 MR. PARTRIDGE: Ah, well, you know, I think may be that
3 is a good place to start, your Honor.

4 Before coming over here, I pulled up from Google's
5 website their current financial tables.

6 MR. PARTRIDGE: May I approach?

7 THE COURT: Yes, okay.

8 (Pause)

9 MR. PARTRIDGE: This document, which as you can see, is
10 an income statement information for previous years, as well as
11 2014. And at the bottom of the first page, you see add revenues
12 for 2014. For example, the total advertising revenues are \$59
13 billion, 45 of which came from the website, and you see the
14 previous years there.

15 On the next several pages, you see information about
16 those ad revenues, and the acquisition of those revenues.
17 That's more information than we got in any of the documents they
18 produced.

19 THE COURT: Weren't you asking for information about
20 Google Earth, and this is about Google?

21 MR. PARTRIDGE: That's another good question.

22 If I May I approach again?

23 THE COURT: All right.

24 MR. PARTRIDGE: This is a document, page from a
25 document that was prepared by Quick Credit Suisse in 2010.

1 I can give you the whole document, but this is from
2 Page 20 of that document.

3 And it describes -- and the document, itself, in
4 exhaustive detail describes Google's way of making money,
5 especially given that they offer free products on their -- in
6 their system.

7 And if you look to the left, this is called Google's
8 network effect, and if you look to the left of that document,
9 the circle that says, strong search product, strong search
10 products are products like Google Earth, and there are others.

11 And those products drive users, which you can see at
12 the top of the document. And the increased users drive more ad
13 revenue. And the use of those products creates information
14 about what the users preferences are, which create data that
15 enables them to target advertisements to certain users, and
16 increase the amount of the revenue that they generate with
17 respect to those advertisements. And that's what Google is
18 famous for.

19 So, every product that generates users, generates
20 advertising revenue.

21 And, so, a key here is whether or not Google Earth
22 drives users. And yesterday we received a document -- we did
23 receive a few more documents -- yesterday we received a document
24 from Google that says, "The Future of Earth," a February 26,
25 2015, document that says on page -- Bates page 981 of the

1 document -- and I don't have extra copies, because I just got
2 this yesterday -- that Maps and Earth are two of their top five
3 favored brands.

4 And they go on to say that with respect to Google
5 Earth, it has massive activations, 1.9 billion, total 600,000
6 per day.

7 It drives advertising revenue. And the reason we want
8 advertising revenue from Google is so that we can use
9 information like driving of users, driving of advertising
10 revenue per click, the relationship between downloads and the
11 generation of advertising revenue in determining what's a fair
12 apportionment of those revenues with respect to Google Earth and
13 its role.

14 And we know that there are documents, and we have seen
15 them from other public sources, that show the contribution to
16 users of Google Earth compared to all the other products of
17 Google.

18 We have none of those documents from Google.

19 What we have, your Honor, if I can approach again to
20 show you the two documents that they rely on repeatedly as
21 sufficient in this case -- I'll pull the other one out...

22 (Pause)

23 ...have scant information.

24 The first one, which is the one that has the Bates No.
25 747 in the bottom right-hand corner, talks about Google Earth

1 Enterprise.

2 Well, Google Earth Enterprise is one of the four
3 products. It happens to be one of the products for which they
4 charge a license fee.

5 Up until recently, two of the four products accused,
6 you could only get by paying a license fee. If you were an oil
7 company looking for geographical information in the Gulf of
8 Mexico, or if you were government looking for geographical
9 information in some part of the world, you could get a more
10 sophisticated version of Google Earth if you paid a license fee.

11 Most of this case is about free Google Earth on their
12 website, so, one of these documents has nothing to do,
13 whatsoever, with ad revenues.

14 And if you look at the second one, which is labeled
15 "Revenue, Property, Google Earth," who can tell what this is
16 about.

17 And you might say, I'll go take a deposition and find
18 out about one of those these documents.

19 That would be a complete waste of time without Google
20 first producing the documentation that they have about their
21 revenues, their ad revenues, and how those revenues relate to
22 each of the various products, and what percentage of their users
23 are generated, as a consequence of Google Earth, as compared to
24 other products.

25 And that's the problem that we're facing here.

1 THE COURT: Okay, I get it.

2 Mr. Carrano?

3 MR. CARRANO: Thank you, your Honor.

4 So, the documents, the two documents which Mr.

5 Partridge referred to are from our database. It's the revenue

6 that we attribute to the Google product -- the Google Earth

7 products.

8 THE COURT: Well, so, the one does say, revenues Google

9 Earth Enterprise, and he says that's only one of the accused

10 products.

11 Am I correct so far?

12 MR. CARRANO: That's correct.

13 And the other ones -- I'm not sure there's another

14 document that --

15 THE COURT: The other one says, "Revenue Property

16 Google Earth."

17 MR. CARRANO: And that's -- that's the Google Earth

18 free version that you and I use online, and that's the ad

19 revenue for that product.

20 THE COURT: Well, so, just looking at it, I understand

21 the column that is marked year, and I understand the column that

22 is marked month.

23 The column is the "Sum of Cost, U.S. Dollars."

24 What's that supposed to represent?

25 MR. CARRANO: That's -- I think that's the net revenue

1 per month for Google Earth, the free version.

2 THE COURT: Okay. I was just kind of wondering if
3 that's what you think that is.

4 MR. CARRANO: Well, I'm pretty surely. I was told that
5 this was the revenue for Google Earth. The description, "Sum of
6 Cost, U.S. Dollars," is a little misdescriptive.

7 THE COURT: It's hard to believe -- I can't recall --
8 is Google the largest company in the world or something?

9 MR. CARRANO: It's up there.

10 THE COURT: It's hard to believe that this is the best
11 they can do, is to produce mislabeled columns?

12 MR. CARRANO: I've been told that these numbers
13 represent revenue of Google Earth month-by-month since 2007.

14 THE COURT: And, I take it, there's probably some
15 zeroes that are supposed to be added to the third column?

16 MR. CARRANO: As far as cents?

17 THE COURT: Right.

18 MR. CARRANO: No. These are the actual -- those are
19 dollars.

20 So, for example, the first 2007, month three, so March,
21 \$162.

22 And then -- this is --

23 THE COURT: Well, when we say -- so, revenue, because
24 you say sometimes Google Earth is free, and sometimes it's
25 licensed. I guess this is the licensed revenues for Google

1 Earth, and up through the middle of 2009, that was less than I
2 make in a month?

3 MR. CARRANO: Yes, it was rolled out -- in the early
4 days of rolling out -- so the peak -- let me clarify.

5 This document, which you're looking at, the one that is
6 Bates numbered 45750 through 752, this is Google Earth.

7 Let's say we'll call it Google Earth, the free version.
8 That's what you and I can access ourselves on the web.

9 The only revenue they make -- Google attributes revenue
10 to that product based on advertising. This is the list on a
11 month-by-month basis of the advertising revenues they attributed
12 to Google Earth, the free version.

13 The other document you have is Google Earth Enterprise
14 product and that's a licensing paradigm.

15 THE COURT: Okay. And, so, you're telling me -- and,
16 presumably, more importantly the plaintiff -- that these are the
17 licensing revenues for all of the accused products?

18 MR. CARRANO: Yes. As counsel pointed out for ART+COM,
19 Google Earth Pro is at least now free. It wasn't free before.

20 And I think to the extent that there's revenue from
21 that product, it's wrapped up into that second document.

22 THE COURT: And, so, do you know how it is that Google
23 attributes advertising revenue to the free use of Google Earth?

24 MR. CARRANO: I believe it's those ads that are
25 associated with actually using Google Earth. I think their

1 theory is that it is broader than that.

2 THE COURT: I think I did hear that.

3 I mean, the Credit Suisse flow chart, or whatever you
4 want to call it, certainly suggests that their theory is --
5 probably for lack of a better word is -- Google Earth
6 contributes to the overall revenue of Google.

7 And, so, therefore, it may not be the case, coming from
8 these public financial statements, that Google made 45 -- is
9 that billion?

10 MR. PARTRIDGE: Yes, your Honor.

11 THE COURT: Okay. I didn't know whether it was a
12 trillion or a billion.

13 A billion dollars in 2014. I think they have a theory
14 that Google couldn't how much of that \$45 billion is a attribute
15 able to Google Earth, right?

16 MR. CARRANO: That's what I believe their theory is,
17 yes.

18 THE COURT: And what you're representing to me, and I
19 suppose to them, is that the only information that Google has
20 about what contribution it makes to the overall Google success,
21 that Google consider it to be -- considers it to be in its best
22 year, you know, in the neighborhood of a million-and-a-half
23 dollars?

24 MR. CARRANO: It depends on what year. You're taking
25 the best year.

1 THE COURT: All right.

2 Oh, the best year. I was picking the one that had the
3 biggest number?

4 MR. CARRANO: Yes, yes. Those numbers -- Enterprises
5 numbers are much bigger than that, but --

6 THE COURT: Oh, I'm sorry. I was just looking at the
7 free products.

8 MR. CARRANO: Right. So the free product is not -- is
9 not a big revenue generator for us.

10 THE COURT: Because I'm assuming that, in fact, in
11 terms of the things you actually licensed and get fees, that
12 what they produced, Mr. Partridge has 457 to 747, that pretty
13 much is what they get as actual fees from licensing this stuff,
14 right?

15 MR. PARTRIDGE: Well, we haven't had a chance to test
16 it, but that's what they're representing to us.

17 THE COURT: Right. No, I mean, that's kind of the --

18 MR. PARTRIDGE: That's their licensing of revenue.

19 Now, of course, during the course of discovery, we'll
20 want to see the agreements that underlies it and other things.

21 THE COURT: Right, right, right.

22 But, I mean, in terms of what we can do right now, in
23 terms of the more traditional, do you have a product and do you
24 sell it, they produced the numbers for that?

25 MR. PARTRIDGE: Yes. And our motion doesn't relate to

1 Enterprise. It relates to the revenues that are related to
2 Google free. And I would be happy to respond to the arguments
3 that --

4 THE COURT: Revenues relating to Google what?

5 MR. PARTRIDGE: Google free.

6 THE COURT: Google free.

7 MR. PARTRIDGE: Yes.

8 THE COURT: Free, sorry.

9 MR. PARTRIDGE: If I may, your Honor?

10 THE COURT: Yeah, okay.

11 MR. PARTRIDGE: The fact that counsel said, gee, they
12 didn't make any revenue off of Google Earth until 2009. Well,
13 you know, they introduced it in 2005.

14 And, in a way, this underscores my point.

15 They used Google Earth to drive users. And the more
16 users they get in the Google system, the greater the information
17 they generate about the users, so they can target ads to those
18 users whether they're on Google Earth or anything else.

19 THE COURT: Okay. But, so, isn't the problem here is
20 -- not withstanding your skepticism which I share -- Google
21 doesn't track anything besides for what Mr. Carrano has produced
22 here, until you start doing something more to find out what
23 Google actually does, what is it exactly you want me to do?

24 MR. PARTRIDGE: Here's what I want, your Honor.

25 My point in showing you that network effect is to

1 illustrate that these different products that Google provides
2 users, and those users are then used to generate a targeted ads
3 when they find out information about the users.

4 And that what Google wants to do is confine our damages
5 theory to their attribution of advertising revenue to Google
6 Earth, as opposed to allowing us to determine what percentage of
7 their users are derived from Google Earth, including prior 2009,
8 when Google Earth was driving hundreds and hundreds of thousands
9 of users. By 2009, they had a billion users of Google Earth.

10 Now, this was more than an altruistic enterprise on
11 their part. They were using Google Earth to drive users to the
12 system, so they could target ads to those users.

13 What they now want to do is say, unless you're
14 specifically within Google Earth, and there's a ad within Google
15 Earth that someone clicks upon, that those are the only
16 advertising revenues that should be in play.

17 And they want to discount completely --

18 THE COURT: Well, you would, basically, like to get the
19 information to do an audit of Google and come up with your own
20 theory as to how to attribute their reference?

21 MR. PARTRIDGE: You got it, your Honor. It's accepting
22 their own internal attributions since 2009, four years after
23 they introduced the product.

24 THE COURT: I think I get your position.

25 Mr. Carrano, I guess one of the questions I have is, do

1 you think the document that ends with 45750 passes the straight
2 face test?

3 R. CARRANO: This is what Google keeps in the ordinary
4 course of business for how they attribute revenue to Google
5 free. That -- yes, that does.

6 As far as the broader theory which they have, we really
7 don't have much objection to them pursuing that theory, but to
8 say that we didn't produce the documents --

9 THE COURT: So, is it you're saying, okay. Well, fine.
10 The problem is that they really haven't asked for the right
11 papers in discovery yet?

12 MR. CARRANO: Yes. We suggest they never had a
13 30(b)(6) designee, a deposition notice out for documents, where
14 we have documents, and what type documents we have.

15 Take the deposition. Explore what they want to
16 explore. And they could follow-up more specifically.

17 For example, in their letter, they ask for an average
18 revenue per user. We don't -- we don't -- from my minds we
19 don't calculate that.

20 We have revenue numbers which we show you on these
21 exhibits. We have metrics about use, including activation,
22 which Mr. Partridge referred to, but our understanding is, we
23 don't calculate an average revenue per user.

24 We can give them the underlying data that they're
25 asking for, but they're presupposing that we're doing some of

1 these things that they claim we do, and, we, being the client,
2 search the analysis in our searches.

3 Now --

4 THE COURT: And, Mr. Partridge, have you asked for the
5 underlying data yet?

6 MR. PARTRIDGE: Yes, your Honor.

7 THE COURT: Okay.

8 MR. PARTRIDGE: And --

9 THE COURT: Hold on.

10 Mr. Carrano, has he asked for the underlying data yet?

11 MR. CARRANO: I believe so. I think we're trying to
12 find, what we can find, and produce to them what we can find.

13 I think they're presupposing some characterization of
14 the information that we don't think exists.

15 But we are -- we're not saying no to anything here.
16 We're just saying, this is for sure the exhibit that we have for
17 the revenue.

18 Google, in the ordinary course of business, attributes
19 to these products. That's what they asked for, these products.

20 We've given them metrics about our products, so they
21 can understand. If they want to formulate a damages theory,
22 they can formulate it based on our metrics.

23 They have asked for the bigger numbers, which is what
24 they gave you today from the website.

25 We'll say -- we say, we'll give you those bigger

1 numbers, the SEC filings, or what have you --

2 THE COURT: I assume giving them the SEC files, these
3 are not secret things. If they want to do it, they can just
4 print it out themselves.

5 MR. CARRANO: Yes. Well, we're happy to do it.

6 THE COURT: No, no, no. But, I mean, saying, we'll
7 give them public documents is not much of a concession.

8 MR. CARRANO: Fair enough. But we're trying to get in
9 the way of their damages theory. We just to be clear what we've
10 done so far, and be clear this is the way Google, in the
11 ordinary course of business, attributes revenue to these accused
12 products.

13 THE COURT: Okay. Okay. So -- okay, Mr. Partridge --
14 Mr. Carrano, stand there. Mr. Partridge, come on up.

15 Let's take Mr. Carrano at his word, which I'm sure is
16 good, from what he's been told.

17 So you want the underlining data, right?

18 MR. PARTRIDGE: Yes, your Honor.

19 And I would note substantial completion of document
20 production was supposed to be last December. We've been meeting
21 and conferring on this since January.

22 THE COURT: What is it you want?

23 MR. PARTRIDGE: I would like to get their total
24 advertising revenue since Google Earth was introduced on a
25 yearly, quarterly, monthly basis, or however they compile it.

1 The number of users that use Google Earth, as compared to the
2 number of users who use their other products during that period
3 of time, quarterly, monthly, annual basis, if they have it. The
4 number of downloads for the various products. Their information
5 that allows us to calculate revenue per click on --

6 THE COURT: So, wait. Revenue per click. Information
7 in order to calculate the revenue per click.

8 Based on what he told me, you need the number of
9 clicks.

10 MR. PARTRIDGE: We need the number of users, the number
11 of clicks, the number of downloads, and we need the revenue, ad
12 revenue, generated during the time period from the introduction
13 of Google Earth up until today.

14 THE COURT: So there's five items.

15 MR. PARTRIDGE: Correct.

16 THE COURT: Is that what you need?

17 MR. PARTRIDGE: Let me check my notes.

18 (Pause)

19 The other thing we would need here is the run rate that
20 they use for Google Earth, not just this Bates document that we
21 --

22 THE COURT: I'm sorry. What is the run rate?

23 MR. PARTRIDGE: The run rate is -- they do have
24 advertisements on Google Earth that people click on, and they
25 calculate a run rate for those ads.

1 THE COURT: Okay.

2 MR. PARTRIDGE: So, the information that they have,
3 which this document they showed you is supposedly a summary.

4 I think Mr. Carrano is telling you what he knows, but
5 the truth of the matter is, there's more information behind it.

6 We want the Bates documentation that led to that
7 calculation in that summary. It looks like a summary proposed
8 for litigation. And that document relates to what is called a
9 run rate with respect to advertisements actually displayed on
10 Google Earth.

11 So I would --

12 THE COURT: Wait, wait, wait, wait. So you're talking
13 now about the free Google --

14 MR. PARTRIDGE: Yes.

15 THE COURT: -- or the free Earth?

16 MR. PARTRIDGE: That's correct. Are there multiple
17 models that we could use in this case, one of which is --

18 THE COURT: Wait, wait, wait. So you want the run
19 rate.

20 Tell me, again, what is that?

21 MR. PARTRIDGE: There are a couple of ways to look at
22 this.

23 One is that since 2009, as Mr. Carrano said, they have
24 done an attribution of ad revenues to Google Earth.

25 If you are in Google Earth, and you click on a ad,

1 there's a certain amount of money that they collect from that
2 advertiser, because of that ad.

3 I think the term they use to describe that is a run
4 rate with respect to Google Earth.

5 We want the underlining documentation, so we can use
6 that to compare to the information that we get about ads
7 revenue, users, downloads, and clicks, so we can determine
8 what's the appropriate damage model here.

9 THE COURT: Okay. So, Mr. Carrano, he's now said about
10 six different categories of things from 2007, to the present on
11 a monthly, quarterly, or whatever basis.

12 But, basically, what you've said, have we resolved this
13 matter, can you get him those six things?

14 MR. CARRANO: I don't know that we can get all those
15 things. We are willing to endeavor to get back-ups for what is
16 shown here and --

17 THE COURT: That's the run rate business that they --

18 MR. CARRANO: They cite run rate as a term that Google
19 uses. We're not aware of that. There's some documents we can
20 give them, which -- we looked into this, and it's not clear to
21 us what that particularly means, but if we can get some guidance
22 on that, we will -- again, we're not saying, no, to anything.

23 THE COURT: Well, you're right, but you are also not
24 saying, yes, to anything either.

25 The ad revenues by month for 2007, can you get him

1 that?

2 MR. CARRANO: If we can find the back-up for this.

3 THE COURT: No, no, no. You're not listening real
4 well.

5 Can you get him the ad revenue for Google for the, you
6 know, the last seven years, more or less, by month?

7 MR. CARRANO: I'm not sure. I mean, I don't -- I'm not
8 sure. I suspect that --

9 THE COURT: Why not? Do you think Google doesn't track
10 it?

11 MR. CARRANO: Well, this is the result of tracking.

12 THE COURT: But this is a result of tracking something
13 for Google Earth.

14 So you've produced the document maybe in what Google
15 keeps in the ordinary course of business, which strikes me as it
16 looks less sophisticated than what I keep myself with my
17 financials, but I don't know.

18 But, you know, you're telling me on the one hand, yes,
19 you want to help, if he can specify things.

20 So, basically, get him the ad revenue per month for
21 everything that Google does. Get him the number of -- I'm
22 sorry -- Mr. Partridge, tell me another thing.

23 MR. PARTRIDGE: The users.

24 THE COURT: The number of users, the number of clicks.

25 MR. PARTRIDGE: Clicks and downloads.

1 THE COURT: And how much of that is attributed to --
2 and maybe that's what this is, I guess that's what this is --
3 but, basically, broken down to Google Earth and not Google
4 Earth.

5 MR. PARTRIDGE: Correct. So we can do the comparison,
6 and do our own attribution apportionment, and compare that to
7 other alternative approaches that one might take for damages in
8 this case.

9 THE COURT: All right.

10 Well, in any event, they, you know, make the case,
11 certainly it's going to be the case that there are details that
12 may need to be worked out between the two of you. And, in the
13 ends, probably there's going to be a 30(b)(6) deposition where
14 Mr. Partridge is going to ask some questions, to try to make
15 sure that he's got what he wants.

16 But it seems to me, that the basic parameters that he's
17 talking about are things that, I think, Google does have, and
18 they actually ought to be able to produce.

19 Is this 30(b)(6) witness scheduled for some time?

20 MR. PARTRIDGE: The 30(b)(6) we served is a document
21 collection deposition notice that we served over a month ago.

22 We want to find out first, because the documents were
23 so --

24 THE COURT: Okay. So, Mr. Carrano, I'm going to order
25 you do this within three weeks, okay?

1 I understand Google takes time. They have internal
2 stuff. But tell them to get going and the Judge in Delaware is
3 real mad about -- you know, tell them I'm mad, all right?

4 Let's go on to the next thing.

5 Tell them that you don't want me to be mad at you.

6 MR. CARRANO: I don't.

7 THE COURT: So, the next thing is that Google and the
8 ESI stipulation.

9 So I have to say reading this, I thought this was one
10 resolved, because -- so, why isn't that resolved, Mr. Partridge?

11 MR. PARTRIDGE: Ms. Alfaro will address this issue.

12 THE COURT: Ms. Alfaro.

13 MS. ALFARO: Good morning, Judge.

14 There's still a dispute, because it's very clear that
15 Google is not running its search terms on the non-custodial data
16 sources, which the ESI --

17 THE COURT: They said they reviewed the non --
18 custodial data sources in their entirety.

19 MS. ALFARO: There's a few problems with that, your
20 Honor.

21 The first problem is that we don't know what non-
22 custodial data sources they reviewed.

23 THE COURT: I thought they said they reviewed all the
24 ones that are listed in Paragraph 3(b).

25 MS. ALFARO: Yes, let me -- again, may I approach, your

1 Honor?

2 THE COURT: Sure.

3 Am I right, Mr. Carrano, is that what you're saying?

4 MR. CARRANO: Yes. What you're going to hear is a
5 generic description. Not specifically which repository.

6 MS. ALFARO: That's right. So we do not know which
7 repository have been searched.

8 THE COURT: Well, he's saying all the ones that are in
9 3(b) have been searched, right?

10 Is that what you're saying, Mr. Carrano?

11 MR. CARRANO: Yes, yes. But the point is, is that 3(b)
12 is generic. It doesn't identify specific repositories.

13 THE COURT: Okay. So, but I mean, so to the extent
14 that -- I take it you would be willing to tell them what the
15 actual repositories are that are -- have been searched --

16 MR. CARRANO: Yes.

17 THE COURT: -- that are generically identified, you
18 will specifically identify them?

19 MR. CARRANO: That's if you want, we will.

20 MS. ALFARO: If I may, your Honor?

21 They actually agreed to do that a couple of weeks ago,
22 and we still haven't seen any of it. And we saw that and we
23 haven't seen it.

24 THE COURT: But if they do that, isn't this issue
25 resolved?

1 MS. ALFARO: So, the other issue is that ESI order, if
2 they elect to use search terms, it will allow us to run search
3 terms as well on those non-custodial data sources.

4 THE COURT: Right. But they said they didn't use
5 search terms.

6 MS. ALFARO: They use -- they have used search terms,
7 your Honor, but only on the custodial set of documents, right.

8 THE COURT: Okay.

9 MS. ALFARO: So they have elected to use search terms.
10 That is a fact. I don't think Mr. Carrano will -- -

11 THE COURT: They used search terms.

12 MS. ALFARO: I'm sorry?

13 THE COURT: They used search terms on the custodial?

14 MS. ALFARO: Yes.

15 THE COURT: Is that right, Mr. Carrano?

16 MR. CARRANO: That's correct. That's correct.

17 THE COURT: Okay. All right.

18 Go ahead.

19 MS. ALFARO: So Google has represented to us that on
20 multiple meet-and-confers, telephone calls, that their documents
21 are mostly electronic. That makes sense. That is not a
22 surprise to us.

23 So they elected to use search terms, pursuant to the
24 ESI order, to make it easier to search for documents they
25 believe are relevant and are responsive to our RFPs.

1 The ESI order requires them, if they elect to use those
2 search terms, to run those search terms not only on their
3 custodial documents, but also on their non-custodial data
4 sources.

5 What they are doing is, they're playing games. They're
6 using search terms for the custodial documents, and for their
7 non-custodial data sources, they're just going picking up
8 repositories that they believe are -- you know, contain relevant
9 and responsive information, and just searching those documents.

10 And, your Honor --

11 THE COURT: Hold on a minute. Hold on.

12 So, where do you see in the ESI order that they have to
13 search the non-custodial data sources, the same way as the
14 custodial data sources?

15 MS. ALFARO: Sure. Paragraph 4(b)(i).

16 THE COURT: Yeah, I'm looking at it.

17 MS. ALFARO: All right.

18 So, at the beginning it says, "If the producing party
19 elects to use search terms completely lays out what is going to
20 happen, then the other side can propose ten search terms to
21 use."

22 That last sentence says, "The producing party shall
23 search one, not non-custodial data sources as identified in
24 accordance with paragraph 3(b), and e-mails and other than those
25 maintained by the custodian."

1 THE COURT: All right.

2 So your complaint here is that they searched the
3 non-custodial data sources one way, and they searched the
4 e-mails and ESI maintained by the custodians a different way?

5 MS. ALFARO: That's correct, your Honor. And because
6 --

7 THE COURT: And --

8 MS. ALFARO: Go ahead.

9 THE COURT: You're saying that for the things they
10 searched by using search terms, they didn't comply with
11 something that was required?

12 MS. ALFARO: They used search terms for custodial
13 documents and that is not at issue here.

14 What is at issue is that they do not use search terms
15 for the non-custodial data sources, although they have said they
16 have gone through those repositories reviewed every single
17 document, it's hard for us to believe that they went one-by-one
18 and reviewed --

19 THE COURT: Okay. So --

20 MS. ALFARO: -- I don't know how many documents.

21 THE COURT: -- Mr. Carrano, I'm embarrassed to ask
22 this.

23 But you've represented in your letter that you searched
24 every document in the non-custodial repositories.

25 I take it you stand behind that representation?

1 MR. CARRANO: Just to be clear on this.

2 First, we identified those repositories that we thought
3 would remain in the case.

4 THE COURT: Which are the 3(b) once?

5 MR. CARRANO: Yes, yes.

6 THE COURT: Okay. Right.

7 MR. CARRANO: From those, we pulled all those
8 documents, and had the team review those. And that's what --

9 THE COURT: So, Ms. Alfaro, I think -- I don't think
10 the ESI order requires that they necessarily take the same
11 approach to both halves.

12 And, you know, I know you find it hard to believe that
13 what Mr. Carrano says is true. And I believe you're going to
14 have a deposition where you can ask questions and find out
15 whether or not, to your satisfaction, it's true or not.

16 But for present purposes, I'm going to accept -- it's
17 kind of the thing I normally do when Mr. Carrano says he did it,
18 that he did it. Well, not, he, personally, but people working
19 -- people working with him would understand his direction.

20 At the direction of his partners or something, all
21 right?

22 MS. ALFARO: With respect to the document deposition
23 that we evidenced on March 20th, we have not received a date
24 they're going to produce the witness. And we'd like the Court
25 to order them to produce the witness in the next seven days.

1 THE COURT: Well, I'm -- you mean name a witness?

2 MS. ALFARO: We'd like to them to produce a witness.
3 The close of discovery is coming up in the next few months.

4 THE COURT: All right.

5 MS. ALFARO: But we're willing to accept whichever date
6 your Honor would propose.

7 THE COURT: Mr. Carrano, how are you going to get this
8 witness?

9 MR. CARRANO: Okay. So, we can commit to there could
10 be two designees, because the topic is quite big. We can get
11 one designee at the end of April, early May, and the second one
12 early May, mid May, depending on the availability.

13 THE COURT: What are the names of those these two
14 people.

15 MR. CARRANO: Peter Birch is one person --

16 THE COURT: No. Just --

17 MR. CARRANO: -- and the second person -- I'm sorry --
18 I don't know her name, but she's involved with the document
19 collection. Peter Birch was the former project manager for
20 Google Earth.

21 THE COURT: Okay. So one of these two people,
22 presumably, Mr. Birch, is going to be available for deposition
23 either at the end of April or beginning of May?

24 MR. CARRANO: Yes. And the other person is available
25 the first week in May, not the second week in May, and I think

1 the --

2 THE COURT: Okay. Well, we're more than halfway
3 through April.

4 So, do me a favor, find out the name of the second
5 person --

6 MR. CARRANO: Sure.

7 THE COURT: -- and tell them by the end of the day, and
8 offer them some actual dates, specific dates and times, you
9 know, by the end of Tuesday of next week, okay?

10 MR. CARRANO: That's fine.

11 THE COURT: All right?

12 MS. ALFARO: A couple more points, your Honor.

13 Earlier we discussed the non-custodial data sources and
14 the fact that we haven't actually received a list of those.

15 THE COURT: Yes. He should do that by the end of
16 Tuesday.

17 MS. ALFARO: That's great.

18 And, lastly, we have requested from the other side, but
19 we have not received it, we would like an RFP-by-RFP list of how
20 they're actually searching for these documents. Whether they
21 are using search terms on their custodial documents, or going to
22 the non-custodial data sources to pull documents.

23 The reason we need this information, your Honor, is
24 because we need to -- we are allowed, in the ESI order, to
25 propose ten search terms for them to use on the custodial sets

1 of documents, but we don't know which RFPs they are using their
2 searched terms for.

3 So, for instance, if there is a financial RFP that we
4 have a request for production, or request for documents to
5 display the financial data, if they are not using search terms
6 for that RFP, then there is no point in us wasting a search term
7 on a financial related topic.

8 And they're --

9 THE COURT: They're using search terms to search for
10 custodial for the identified custodians.

11 Presumably, what you get is -- and I'm saying
12 "presumably, I only read the one paragraph in the ESI order --
13 presumably, they're supposed to use some search terms, and you
14 get to produce some other search terms, right?

15 MS. ALFARO: That's right.

16 THE COURT: And, so, do you know which terms they used?

17 MS. ALFARO: Use we know what terms they used.

18 THE COURT: All right.

19 MS. ALFARO: But we are not able to propose our without
20 knowing which RFPs they're using search terms on, because
21 they're not using RFPs for all of the they're not using search
22 terms for all of their RFPs, because they've related that
23 they're not using search terms on the non-custodial data
24 sources.

25 So, for instance, if there is a financial RFP, they

1 could just be going to non-custodial data sources, or to
2 financial repositories, and pulling up the documents that they
3 think are responsive.

4 If they're doing that, and they are not using search
5 terms on the custodial documents for a particular RFP, then it
6 would be wasteful for us to use one of our search terms.

7 THE COURT: And, so, what you're saying is the way that
8 I would imagine it works.

9 Is that the way it works, Mr. Carrano?

10 MR. CARRANO: I'm, frankly, a little confused.

11 So what we did is, there are nine identified custodial.
12 We used search terms for those.

13 THE COURT: Right. And the search terms are whatever
14 the search terms are, which you've told me. And if they produce
15 the document responsive to RFP No. 1 -- so, RFP No. 14, it shows
16 up in the production?

17 MR. CARRANO: That's the methodology and that's what we
18 used.

19 THE COURT: So that's the reason.

20 I wasn't really understanding Ms. Alfaro either by
21 saying, using a search term for a particular RFP, or using their
22 pens, or however they search the terms they're using, you know
23 what they are, to produce a set of stuff.

24 And they are also searching the non-custodial databases
25 having all these RFPs in mind, right?

1 MR. CARRANO: That's what we did.

2 THE COURT: I don't understand what you're saying.

3 MS. ALFARO: It's not confusing, because they're not
4 doing what ESI order requires them to use the search terms on
5 both.

6 It's gotten confusing, because they're doing the two
7 things differently, so we don't know if search terms are being
8 used for particular purposes.

9 THE COURT: But they're saying nothing -- you
10 understand, based on what I've just heard, what they -- what Mr.
11 Carrano has said theory doing.

12 So, you know they searched nine custodians using
13 whatever ten search terms they've already told you about.
14 Bearing that in mind, you have a description of who these
15 custodians are.

16 You should propose your own search terms, right?
17 That's the way it works.

18 MS. ALFARO: That is the way it works, your Honor. And
19 the reason why we haven't be able to do that is because we just
20 don't know how they're using those search terms with respect to
21 the RFP. And we discussed this in the meet-and-confer and they
22 actually agreed --

23 THE COURT: Well, okay. I'm going to rule against you.
24 I think you have all the information you need.

25 Make your own best own judgment with what search terms,

1 and you meet-and-confer on them, or whatever, but it's up to you
2 now to propose the search terms you'd like to have run, which I
3 think you can make an intelligent choice basically on you know
4 who their nine custodians are, and you know what terms they've
5 already run.

6 MS. ALFARO: Yes, your Honor. The reason I raised it,
7 is because we had discussed this on a previous meet-and-confer,
8 and they agreed to give us an RFP-by-RFP list, and we haven't
9 received it.

10 And, so, Mr. --

11 THE COURT: I still don't understand what would be on
12 an RFP-by-RFP list.

13 MS. ALFARO: For instance, for RFP No. 1, perhaps they
14 used search terms on custodial documents and searched
15 non-custodial sources.

16 So, RFP No. 14 related to just revenue documents.
17 Perhaps, they didn't search custodial documents. They only went
18 to non-custodial data sources.

19 THE COURT: The ten search terms, they're not specific
20 to a particular RFP, are they?

21 MS. ALFARO: The reason why it's a concern -- well, the
22 reason why it's a concern is, because their initial ten search
23 terms, did not have anything related to financial information.

24 THE COURT: Okay. Well, then under -- they did search
25 the nine custodians using financial terms, and would likely turn

1 up financial documents.

2 MS. ALFARO: Exactly. We don't exactly know that.
3 That's the whole point is that --

4 THE COURT: Well, I think, actually, you do know that,
5 don't you, because you know --

6 MS. ALFARO: We need some kind of --

7 THE COURT: -- you know --

8 MS. ALFARO: Okay.

9 THE COURT: -- you know they have nine custodians and
10 they searched all nine using the same ten terms, and you know
11 what they are --

12 MS. ALFARO: Okay, your Honor.

13 THE COURT: -- don't you?

14 MS. ALFARO: We do know their search terms, yes.

15 THE COURT: And you know they searched the nine
16 custodians using those terms?

17 MS. ALFARO: We do.

18 THE COURT: Okay. I'm not going to give you any more
19 relief.

20 MS. ALFARO: Thank you, your Honor.

21 THE COURT: Okay. Thank you.

22 So Argument No. 3. Oh, this is a -- hold on a minute.

23 (Pause)

24 The asserted prior art.

25 Okay. I understand the dispute here, which is, while

1 in the ordinary course one might say that Google has an amount
2 of prior art that's identified that is within the range of
3 reasonableness.

4 The problem here is that five of these are systems, and
5 systems are not going to be a printed publication that says, X.

6 It's going to be -- are, in fact, systems basically
7 meaning -- what is the word -- not prototype -- but some kind of
8 thing that was in operation, and then you have a bunch of
9 documentation of bits and pieces of it?

10 MR. PARTRIDGE: I presume that that was their intent,
11 but when you look at how they use these references in their
12 invalidity contentions, they aren't used that way.

13 They're listed as -- they're used as publications.

14 I have a short document that will illustrate the
15 problem, your Honor, if I may hand it up?

16 THE COURT: Okay.

17 (Pause)

18 MR. PARTRIDGE: We pulled --

19 THE COURT: Hold a second.

20 MR. PARTRIDGE: Please.

21 THE COURT: All right.

22 Go on, Mr. Partridge.

23 MR. PARTRIDGE: Let me make two major points about this
24 document.

25 The first occurs in the first paragraph where they say

1 in the second line -- this concerns the so-called SRI
2 international system, which they want to list as one piece of
3 prior art -- and they say, "as a whole or any of the individual
4 references and/or testimony below that may be further obtained
5 through discovery."

6 And in the first line leading up to that, they say,
7 that this renders it in the claims anticipated and/or obvious.

8 Then when we go to the claim chart, the second major
9 point, and you go back, for example, to Page G4 of the document,
10 they start applying it to the first element of the claim. This
11 is illustrative of what you see in these documents.

12 And we have a reference to CEG Reference 1, and then it
13 goes on to the bottom of that page, and all of the next page.
14 And at the bottom of the next page, G5, we get to see also list,
15 and it goes all the way to the top of Page G6, where now we lump
16 in 5 through 17, 23 to 33, 39 to 40.

17 And this is prefaced by saying in the opening paragraph
18 that Claim 30 is anticipated by any, or rendered obvious, by in
19 whole, or by any of the individual references contained in that
20 list.

21 And the same is true of the other system arguments they
22 make.

23 THE COURT: So I understand TerraVision is a system.
24 What are the other systems?

25 MR. PARTRIDGE: There -- there are four other systems.

1 TerraVision has this particular one that's the most documents,
2 but amongst the five systems, prior art -- prior art
3 documentation that they rely upon, there's over 60 references
4 that are included in it.

5 And we have claim charts that --

6 THE COURT: So, you've given me this thing that has 40
7 references.

8 MR. PARTRIDGE: Right.

9 THE COURT: Okay. And you're saying there's over 60
10 references. Are there other systems listed in these 40
11 references or are these 40 references all related to
12 TerraVision?

13 MR. PARTRIDGE: This 40 is related to TerraVision.
14 They have other documents related to the other four systems
15 they're relying upon.

16 THE COURT: Okay. So what you're saying is, here's one
17 reference, TerraVision with 40. Let's say some references or it
18 may be 39. And there's four more systems like this, except that
19 there are not as big as TerraVision.

20 MR. PARTRIDGE: Correct.

21 THE COURT: Then there's another 22 individual
22 references.

23 MR. PARTRIDGE: Something like that, your Honor.
24 That's correct. And they characterize these as any one of the
25 individual references or as collection.

1 And then on top of it, when with we ask an
2 interrogatory to find out, well, what is the date of this prior
3 art system you're relying upon, so that we know which one is
4 before or after the date, we got an answer that said, look at
5 our invalidity contentions.

6 And the problem with that is, your Honor, when you look
7 at this list -- again, I think if we looked at the other list of
8 system references we'd find similar examples -- but reference
9 40, for example, is the TerraVision source code dated 1996,
10 which is exactly the date of the filing of the Patent
11 Application.

12 We're in a situation where we have these alleged five
13 systems. We have no dates for when these alleged five systems
14 constituted prior art. It's just a generic listing of
15 references and somehow we're supposed to figure this out from
16 the listing of references.

17 And then they attempt to apply them as a whole, and
18 anyone or more of the following, and in the claim charts that's
19 what you see, a listing of references.

20 And from our point of view, this is, essentially, still
21 at 76 total references at this stage.

22 And, as you know, we've reduced our claims. It started
23 out at 75 -- or I can't remember the exact number -- we reduced
24 to 50. We reduced it further after that and we're now down to
25 20 claims.

1 And they've made reduction -- I give Mr. Carrano credit
2 -- he made some reduction in the number of prior art references,
3 but we're still at a point where with a couple of months to go
4 in discovery, we have, essentially, 76 prior art references.

5 And, your Honor, we would like, at some point, to have
6 a meet-and-confer with them about the adequacy of their
7 invalidity contentions, and see if we can resolve them, and come
8 to you with a motion, if necessary. We don't want to do it
9 until we've gotten down to a smaller number of references.

10 Maybe those problems will go away, and can more easily
11 resolved, so we are, more or less, at a standstill, given this
12 issue.

13 THE COURT: Okay. All right. Thank you.

14 So, Mr. Carrano, what do you say about this?

15 MR. CARRANO: Okay. A number of things.

16 Just like we suspect their infringement case, they rely
17 on a number of documents. They will not rely on one Google
18 Earth document to make their case.

19 Our systems are -- for example, TerraVision that you
20 see here, which counsel correctly points out, has the most
21 references to prove up that system. These are numbered
22 documents that we might rely on to prove that system structure
23 function and operation.

24 So, the Model Rules that we base some of the discussion
25 on claims and prior art in this case, allows for a system art to

1 include all the references with respect to that system.

2 So, all we're saying here is, in this case, the
3 TerraVision system -- again, some systems only have two pieces
4 of -- two references that we found so far.

5 For this system, we may rely on these reference, just
6 like they will rely on a number of documents to try to prove up
7 Google Earth.

8 It's the same thing.

9 What we did in our Exhibit C, in our April 16th letter
10 is specifically outlined. This is an e-mail --

11 THE COURT: Hold on just a minute.

12 (Pause)

13 Exhibit C.

14 MR. CARRANO: Exhibit C. That is --

15 THE COURT: Just hold on.

16 (Pause)

17 I take it that -- I take it that -- there's a thing in
18 the e-mail that says the IPR which was filed relies on eight
19 references.

20 Are some of those eight references -- I take it are the
21 ones that are pending?

22 MR. CARRANO: Yes.

23 THE COURT: Okay. Because, presumably, unless and
24 until the IPR is granted, you're giving up nothing in terms of
25 the references that are alleged in their --

1 MR. CARRANO: Just one clarification. The IPR had one
2 additional reference that is not in our invalidity contentions.

3 THE COURT: Okay. I mean, I appreciate being accurate.
4 Okay.

5 So, what is it that you're trying to do in this e-mail?

6 MR. CARRANO: Well, if you see starting at Page 2 to
7 Page 3 of that attachment, we provided ART+COM on the left-hand
8 side Nos. 1 through 28, and we've dropped one of these already.

9 And the first four are the system -- well, the first
10 five are the systems that we intend to rely on, and the
11 remaining 22 are the particular publications or patents that we
12 are relying on.

13 So they asked us to reduce it down to 24 references.
14 We proffered 27.

15 THE COURT: Right. A lot of it depends on what you
16 call TerraVision's 1 or 40?

17 MR. CARRANO: Understood.

18 THE COURT: Right.

19 MR. CARRANO: But, I mean, from our view, it stands to
20 reason that -- again, it's my comparison to the infringement
21 case -- they're not going to prove their infringement case on
22 just source code, or just other documents at Google. They will
23 collect documents to do that.

24 So, the system art that we have here is the same is
25 paradigm. There isn't usually a system document that describes

1 all the claimed features, so we have to pull from another set of
2 sources about that same system to make our case.

3 Now, granted, when it comes down to the expert reports,
4 or certainly at trial, that system art will be pared down to a
5 minimal set that we need, but at this point, we can't do that.

6 And also discovery is ongoing. We don't know if there
7 is something better out there or something that will replace
8 this stuff.

9 But the point is, we did partition this -- these --
10 this art; the system art and publication art. The publication
11 art is clear. Publication stands by itself. Stands by itself
12 and that's what it is.

13 But for the system, the related information, we
14 identified for them. It's not that -- their complaint,
15 apparently, is that we have to consider all these different
16 documents.

17 Well, that's the documents that we have to try to prove
18 the system on.

19 THE COURT: So, I kind of recall something in the
20 letters -- and I don't have them immediately at hand -- that Mr.
21 Partridge, you said, you know, counting the system by their
22 individual references, there is 7- odd that are asserted right
23 now?

24 MR. PARTRIDGE: Yes, your Honor.

25 THE COURT: What was the number?

1 MR. PARTRIDGE: 76, I think.

2 THE COURT: Okay. So, just doing a little math here,
3 it seems to me that TerraVision, is what is the difference
4 between 27 and 76 from your count?

5 MR. PARTRIDGE: My number -- my total may be off,
6 because there are 40 references for TerraVision, six for the
7 second system, which is T_Vision, two for the third system,
8 which is GIS, 13 for what they call NPSNet, and two for Virtual
9 Sardinia -- there seems to be one for Virtual Sardinia, so that
10 adds up to 62 additional references, actually.

11 MR. PARTRIDGE: It's 84.

12 THE COURT: Okay. Let's assume, Mr. Partridge, for the
13 sake of argument that they want to keep TerraVision in the case.
14 Does that mean that your view is, they should be
15 limited to TerraVision, because that is well more than 20?

16 MR. PARTRIDGE: No. I'm not going to be -- I'm not
17 proposing something that is unreasonable here.

18 THE COURT: Well, I'm kind of wondering, what is it you
19 are actually proposing?

20 MR. PARTRIDGE: Well, I think that with any one these
21 systems there ought to be a handful or less of references they
22 rely on. Whether it's five or six for TerraVision, and a couple
23 for one of the others, and five or six for this one reference,
24 one system they have 13.

25 And here is why I think that's appropriate.

1 Because at the moment we don't know what the date of
2 the system is, whether it's prior use and sale, public use, what
3 is it?

4 And when you know that, you have a date, you have this
5 thing that was out there that is the system as of a certain
6 point in time, and now you can judge all this other stuff that
7 they're providing with references.

8 THE COURT: That seems like a different issue than the
9 one that you were raising.

10 MR. PARTRIDGE: Well, except that that allows, if they
11 did that process, if they were rigorous in the analysis, and did
12 that process, they would be able to eliminate some number of the
13 40 reference, because now they'd be focused on the system at a
14 point in time that they're saying they can prove up as
15 anticipating or making obvious in the invention.

16 And if they did that --

17 THE COURT: Well, the thing that would anticipate or
18 make obvious would be the system, not the particular reference
19 that was tried in the system, right?

20 MR. PARTRIDGE: That's correct. There would be a date,
21 and time, and qualification, prior public use, on sale, whatever
22 it is, and we'd know what that is. And then there would be some
23 number of documents that represent what was in that system, as
24 opposed to what we have here.

25 THE COURT: You know, then, for example, let's say the

1 source code. You say the source code is year or two after a lot
2 of the other documents relating to TerraVision, and it is past
3 the priority date.

4 But that doesn't necessarily mean that it's irrelevant,
5 does it, because there are some other cases that people testify
6 that you can tell when the source code was changed, and people
7 who do the coding make little notes when they're changing
8 things.

9 Just because something, in the version that we have it,
10 dates from a date that was not prior art, and were not
11 determinative of something else, it doesn't necessarily mean
12 that it's irrelevant, right?

13 MR. PARTRIDGE: You helped make my point, because when
14 you look at that source code, there are parts of that code that
15 when you look at the, notes and portions of the code that were
16 written in 1996, and other parts that were written earlier.

17 And, so, what we have here is a collection of code that
18 they want to assert that is part of this, that collectively
19 wasn't generated until 1996.

20 And we agree there were parts of it written earlier,
21 but which of those parts relate to which of the elements of the
22 claim? How are they using it? And as of what point in time was
23 that code in the system that was publicly-available, sold, or
24 otherwise qualified as prior art.

25 THE COURT: Well, for lack of a better word, proof

1 problems of trying to connect the source code to a system.

2 But you have -- and you may not be in agreement -- but
3 you both have an idea of what the priority date is, right?

4 MR. PARTRIDGE: We know what the priority date of the
5 patent is.

6 THE COURT: That's what I meant.

7 MR. PARTRIDGE: But we don't know the date -- we do not
8 know the date of this system. We have a collection of documents
9 that --

10 THE COURT: And it is also the case, could it not be,
11 that they may not know the exact date of the system either,
12 right?

13 MR. PARTRIDGE: But that's their -- their burden is to
14 prove that some system existed that qualifies under the statute
15 --

16 THE COURT: No, no, but the point is, they could say,
17 we don't know when the exact date of the system is, but we know
18 it's before the priority date, right?

19 MR. PARTRIDGE: I don't think so, your Honor.

20 If they're contending that the system was on sale as of
21 a certain date, they then have to show the thing that they say
22 is on sale, and at that point, include all the elements of the
23 claim, and some subsequent document may or may not be relevant
24 to that, at that point in time.

25 THE COURT: Okay. So, let me just go back, because I

1 don't understand, Mr. Partridge.

2 It seems to me like you're -- it seems to me like, in
3 some sense, you're beef with TerraVision is not so much that
4 there are 40 references; or one system and 39 related
5 references, documents, or other things.

6 It seems like you're more saying, what is the date of
7 the system that you are relying -- you know, what -- yes, what
8 is the date of the system?

9 It seems like a different question.

10 MR. PARTRIDGE: My problem is twofold.

11 The one is the way they use the 40 references in their
12 claim chart, which reads like 40 references, not like some
13 individual system.

14 THE COURT: Well, would it help you, if instead they
15 just said -- instead of, you know, if 5 to 17, and 20 to 22,
16 they just said, one, one, one?

17 MR. PARTRIDGE: It would help us if they said, here is
18 the system we're saying is prior art. It is public use. It's
19 on sale. It's whatever it was as of this point in time. And
20 here are the documents we're relying upon that establish that,
21 in fact, it was publicly used, on sale, blah, blah, blah, as of
22 that effective date for that system prior art.

23 I'm saying it's a twofold problem.

24 It's the one you pointed out first, which is the date
25 problem. That date problem leads to not being able to evaluate

1 the list of 40 references.

2 And then the other problem is, in applying these
3 references to the claims, they applied them like individual
4 references, which gets us to the 76 to 82, or whatever the
5 number is, of total references.

6 THE COURT: But that gets to my question.

7 Can't they just say, Reference No. 1?

8 I mean, aren't they actually -- I probably realize this
9 is the wrong logic here -- but aren't they actually being
10 helpful by saying, here are the particular things that describe
11 a particular part of the system, that is what meets this
12 limitation?

13 MR. PARTRIDGE: They -- I guess I would not say -- they
14 might be being more helpful if they had said that the third
15 document shows what was in the system that they're claiming
16 constitutes prior art as of February of 1994.

17 You know, if that's what they were saying, as opposed
18 to listing these like they're individual publications which is
19 what they've done.

20 THE COURT: All right.

21 Thank you, Mr. Partridge.

22 Mr. Carrano, for these systems -- and this may be an
23 irrelevant side point -- but do you have particular dates when
24 they were on sale in the format -- and when I say "on sale in
25 the format" -- that makes them prior art with respect to their

1 invalidity, do you have particular dates or --

2 MR. CARRANO: I think -- all these five systems are
3 prior art. We could try to come up with particular dates, or at
4 least as early as certain dates, but they are all prior art.

5 Mr. Partridge points out the source code, for example.
6 That's a source code we have.

7 These are all third-party systems, so we have to -- we
8 acquired all this stuff on our own through prior art searching,
9 and through our own discovery. The discovery is still ongoing.
10 We have to pursue at least a number of these systems to find out
11 more information about them.

12 THE COURT: I heard this kind of thing before.

13 I didn't mean that the way it sounded. I meant I've
14 heard particular people talking about third-party systems.

15 MR. CARRANO: Right. So, this is what we could find.
16 And we'll have to go through like, for example, SRI, the
17 TerraVision system. We'll try to go to SRI and find out more
18 about those systems.

19 But what we did here, in our invalidity contentions --
20 and just to follow-up on a point that your Honor made -- we
21 could have just said, three -- five systems and said nothing.
22 Just put them in and say, these are the prior art systems.

23 What we did is take the evidence that we had and
24 applied to those system positions, so we tried to be as specific
25 as we can.

1 Granted, it wasn't magnanimous, because we were also
2 tying publications to those claim elements themselves, because
3 it was an efficiency issue to some extent.

4 THE COURT: And I guess part of what Mr. Partridge is
5 saying, although he didn't quite use this phrase is, you're kind
6 of double dipped here. You've got -- you've kind of got -- to
7 the extent that there are 40 or 39 things that describe
8 TerraVision were individually counted as prior art, you're kind
9 of getting them with the system, and getting them with the
10 individuals?

11 MR. CARRANO: Okay. I think that's absolutely not
12 correct.

13 As I mentioned before, when we listed the references.

14 THE COURT: Okay.

15 MR. CARRANO: We have the first five. This is on Page
16 2. This is the e-mail from me, Mr. Carrano, on February 23rd to
17 Mr. Partridge.

18 THE COURT: Right, got it.

19 MR. CARRANO: It's a chart. We, essentially, called
20 out the first five systems. That's References 1 through 5.

21 THE COURT: Got it.

22 MR. CARRANO: And that -- just put that aside.

23 The rest of them are individual publications of
24 patents.

25 To the extent that we rely on individual publication of

1 patents, those are the only ones we intend to rely on.

2 THE COURT: Are those the things that I'm noticing now,
3 No. 6 through No. 14, where it says, publication, and then, I
4 guess, refers to one of the five systems?

5 MR. CARRANO: Yes. There is some overlap to --

6 THE COURT: So what you're saying is, other than these
7 individual ones of which there are a total of...

8 MR. CARRANO: 22.

9 THE COURT:... I was going to say about eight.

10 MR. CARRANO: Oh, I'm sorry.

11 THE COURT: I'm talking about the ones that also
12 support of the description of systems.

13 MR. CARRANO: Okay.

14 THE COURT: Right. From No. 15 on, those are the
15 stand-alone things that are unrelated to the five systems,
16 right?

17 MR. CARRANO: Oh, I see. Yes, that's true.

18 I mean, there's actually more information that I can
19 remember.

20 So, yes, the first through -- 6 through 14.

21 THE COURT: Which is at the top except for No. 11?

22 MR. CARRANO: Correct. Which we have, I believe,
23 dropped.

24 Those also pertain to the systems, but to be clear,
25 what we're trying to represent here is, those publications are,

1 if we're going to present them at trial, they would be presented
2 as publications.

3 THE COURT: No. I mean I understand what you're saying
4 which is, we're going to present the systems. Some of these
5 things have something to do with explaining the systems.

6 We're also going to argue, hey, if you buy our system,
7 these particular things that are numbered 6 through No. 14, have
8 independent value as prior art, in terms of establishing either
9 anticipation or obviousness?

10 MR. CARRANO: That's correct.

11 THE COURT: And, so, the things that are cited as
12 subparts of TerraVision, that aren't also on this list, are not
13 going to be argued as individual -- on their individual merits?

14 MR. CARRANO: I believe that's correct. I think I lost
15 a little bit of that at the end there.

16 THE COURT: Well, I'm sorry, I understood myself.

17 So, Mr. Partridge, that seems to take care of a lot of
18 your double dipping argument.

19 MR. PARTRIDGE: Well, if you look at the total number
20 of references from the systems -- and I think it's 52 -- and you
21 subtract the eight that you just identified, we still have 44
22 additional references that would be, I think, fall within that
23 phrase "double dipping."

24 THE COURT: No, I don't think actually they are,
25 because they're only going to be offered in support of only one

1 system.

2 MR. PARTRIDGE: Well, but we're still at a point, for
3 example with TerraVision, we have this collection of, documents
4 which in their invalidity contentions are applied in whole, or
5 in any one of with respect to the claims.

6 THE COURT: Well, right. So they have that general
7 phrase, but Mr. Carrano just said here that it doesn't have the
8 full meaning that you are attributing to it.

9 MR. PARTRIDGE: Then he ought to clarify their
10 contentions and --

11 THE COURT: Well, he clarified it for my purposes.
12 So here's what I'm going to do.

13 You know, I did think about it a little bit. This is
14 the first time this particular issue about systems and
15 supporting documents has come up for me, in terms of how many
16 prior art references are asserted.

17 And I did look at the -- you know, I probably shouldn't
18 call it the Federal Circuit Model Orders -- this is more like
19 the Federal Circuit failed model order -- but I think it still
20 represents sort of a data point from which a bunch of people
21 knowledgeable in the field thought was reasonable.

22 And I looked at the footnote about systems. And the
23 discusses we had here today has been helpful. You can rely on
24 that.

25 And I believe that, in fact, Google has appropriately

1 come to a reasonable number of prior art references at this
2 stage of the case. That, in fact, when they say in this e-mail
3 they have 28, I think that actually is 27.

4 Mr. Carrano, or somebody said, yes, they dropped one to
5 27. So, whether 28 or 27, it's a reasonable ballpark.

6 And I don't think that -- and, so, I appreciate that
7 there's possibly more -- you know, to the extent that the part
8 of goal here is to narrow the number of issues, I appreciate
9 that people are listing systems as prior art is not as efficient
10 as narrowing the issues, and listing publications of patents.

11 But I think that -- particularly, with Mr. Carrano's
12 pretty clear statement on the record here today, which is
13 entirely consistent with the chart in his e-mail -- that, in
14 fact, they are -- they have their own -- I'm not actually sure
15 what they started out at -- but they have represented that they
16 have a reasonable number of priority references. And,
17 essentially, you know, it's mostly TerraVision that appears to
18 be a very complex thing.

19 And, so, you know, maybe it's one. Maybe it's four.
20 If there are three independent TerraVision references. Maybe
21 it's 40.

22 But that's, I think, something where that they have
23 actually have done a pretty good job of narrowing it down, as
24 much as they can, in terms of what are actually the prior art,
25 and they have evidence to support their statements about how it

1 works or worked.

2 So, I think it's reasonable, and not going to require
3 them to reduce the number of prior art references at this time.

4 MR. PARTRIDGE: Your Honor, to avoid the risk of being
5 back here again on the second thing we talked about earlier, and
6 I wouldn't want to burden the Court with another one of these
7 hearings, it would be helpful, as we discussed earlier, to know
8 what the thing was as of a certain date, is it public use, is it
9 on sale, what is the date?

10 Everything else on this chart is dated except for the
11 system.

12 THE COURT: Mr. Carrano?

13 MR. CARRANO: Yes. We can endeavor to provide that.
14 I'm not sure we have every date, but we will provide what we
15 have.

16 THE COURT: Yes. That's a reasonable thing, because I
17 do -- I believe it's possible to be somewhat vague as to when
18 something was on sale, and yet know it was on sale -- you know,
19 it's kind of like this.

20 There is a priority date. Whatever it is in this case.
21 Let's just say for the sake of argument that it's January 1,
22 1994.

23 And maybe something was on sale, and there is an offer
24 to sell it, you know, on December 30th of 1992, and everybody
25 agrees that that would make it prior art.

1 Or maybe it was sold earlier than 1992, and people were
2 unclear about that. You know, it was a long time ago.

3 And, so, but there may be a difficulty -- there may be
4 a piece of documentation that predates December 30th of 1992, so
5 you're going to be trying to figure out whether it relates to
6 something at an earlier time. Maybe you can't prove exactly
7 what -- this is all -- I'm trying to think out loud, because I'm
8 not -- I'm less than a hundred percent convinced that it's
9 possible to put a precise date on these various things, so that
10 means Google loses.

11 So I would -- all I can do is encourage Mr. Carrano. I
12 mean these things in the TerraVision system, this is being -- it
13 was obtained through a third party, or being obtained through a
14 third party. I think that can be produced and both sides can
15 look at it.

16 MR. CARRANO: We have produced everything that's in
17 this chart.

18 THE COURT: All I'm going to say is, if you can, to the
19 extent you have knowledge about what the dates are of these
20 things of the five systems, it would be good to tell the
21 plaintiff what they are.

22 MR. CARRANO: We will do that, again, with the
23 understanding that it's going to be evolving things over
24 discovery.

25 THE COURT: And, you know, I think this is -- you know,

1 sometimes I see cases where the plaintiffs says, you know, I
2 can't tell you exactly when the conception and reduction to
3 practice occurred, and I'm somewhat dubious of this, as the
4 inventor works for them.

5 But I'm less dubious when I think the things that we're
6 talking about aren't actually a product of either party, that
7 it's not so easy to necessarily be precise, or that you could
8 say something in good faith now, and in further discovery there
9 is something else that will lead to a slightly a different date.

10 So I would prefer to avoid something where -- Mr.
11 Carrano, within the next two weeks, could you tell him what you
12 think the dates are, and perhaps indicate which ones you have
13 uncertainty about?

14 MR. CARRANO: Sure.

15 THE COURT: Because I'm trying to avoid the situation
16 where later on something comes up and there's a different date,
17 and something happens from time-to-time.

18 So, try.

19 MR. PARTRIDGE: And to say whether it is a printed
20 publication, a prior sale, and whether it is public use.

21 THE COURT: Can't you read the printed publication just
22 as well they can?

23 MR. PARTRIDGE: If it is a printed publication.

24 If they're saying that the system was represented in a
25 printed publication, and these other documents support that,

1 then we ought to know that, too.

2 But at least to say --

3 THE COURT: Well, all I'm going to say is, because it
4 strikes me that most of these things, there's probably no actual
5 no doubt that they have dates on them, but the systems,
6 themselves, I gather there's some dates on the five systems,
7 okay?

8 MR. CARRANO: Yes. And one of those systems is their
9 system and maybe they can come up with that.

10 THE COURT: Okay. All right.

11 So I did see reading all this that Google has filed an
12 IPR, and I see there's a Motion to Stay.

13 You know, based on experience, when is it that you
14 expect the PTAB, or whoever, decides this, is going to decide
15 whether or not to grant the IPR?

16 MR. CARRANO: Within a window of late August or early
17 September.

18 THE COURT: Okay. And do I have anything else
19 scheduled in this case between now and early August and early
20 September?

21 MR. PARTRIDGE: The Markman, I think, is May 12th.

22 MR. CARRANO: May 12th.

23 MR. PARTRIDGE: Your Honor, we are going to be opposing
24 those positions. We're actually going to file papers in the
25 Patent Office, so they won't be resolved until September.

1 We have two dates in September. I can't remember them
2 off the top of my head. And the institution that is due at the
3 Patent Office.

4 THE COURT: Okay. So you're filing a response to that
5 delays that by a couple of weeks?

6 MR. PARTRIDGE: We have a response date, and then the
7 institution date is three months later, so it moves it back
8 some, as a consequence.

9 But we're opposing them because they get up to as many
10 as four obviousness combinations, all prior art --

11 THE COURT: I don't really care why. I'm just
12 interested in the schedule at this point.

13 Okay. And you said we have Markman in this in May?

14 MR. PARTRIDGE: Correct, your Honor.

15 MR. CARRANO: There are two IPRs.

16 MR. PARTRIDGE: Right.

17 THE COURT: Two IPRs, there's only one patent, right?

18 MR. CARRANO: Yes, yes. There was one -- one IPR is
19 directed to the TerraVision system, and those references -- I'm
20 sorry -- TerraVision publications -- and the other IPR is based
21 on their publications about their system.

22 THE COURT: Okay. Okay.

23 Anything else you want to talk about while you're here?

24 MR. PARTRIDGE: Nothing, your Honor.

25 Thank you for your time. I really appreciate it.

1 MR. CARRANO: Thank you.

2 THE COURT: All right.

3 We'll be in recess. Thank you very much.

4 You know, I don't issue any written orders. As a
5 result of this, the transcript will serve as a record of my
6 rulings.

7 If there is some reason to revisit -- or not revisit --
8 but if there's any questions as to what they are.

9 The things that you handed up, particularly, the
10 discovery, I tend to like to hand that back.

11 MR. PARTRIDGE: I think those documents were marked
12 "Confidential" by Google, so you may not want to have them.

13 THE COURT: I would like to actually hand them all
14 back. I don't think I wrote too many incriminating things on
15 them.

16 Okay. So we'll be in recess.

17 MR. CARRANO: Thank you, your Honor.

18 MR. PARTRIDGE: Thank you.

19 (The proceedings adjourned at 12:50 o'clock p.m.)

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